

FIG. 1  
PRIOR ART

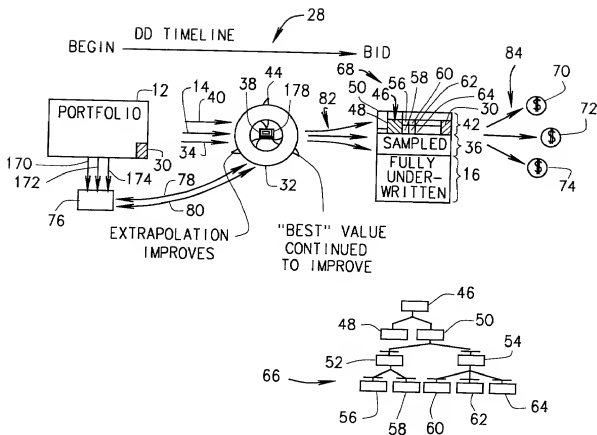
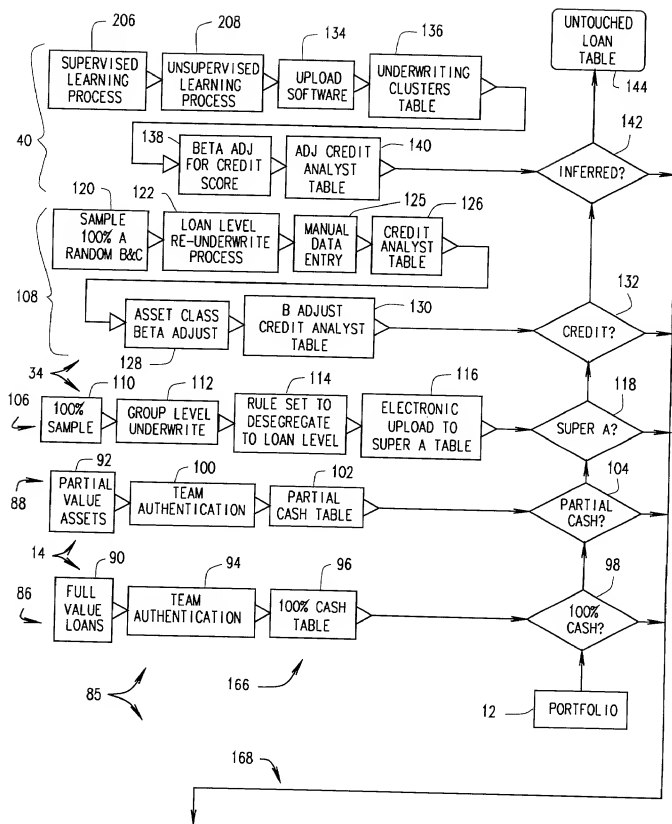


FIG. 2



TO FIG. 4

FIG. 3

FROM FIG. 3

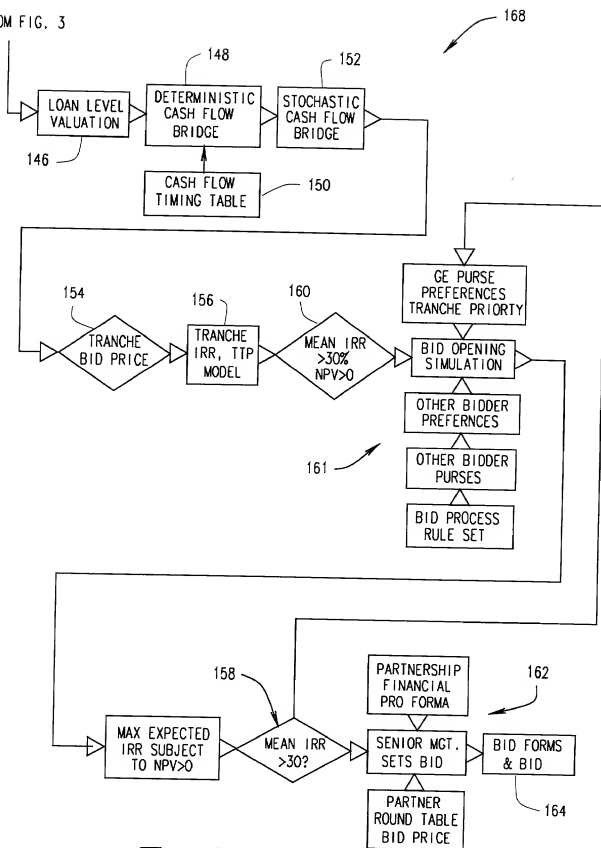


FIG. 4

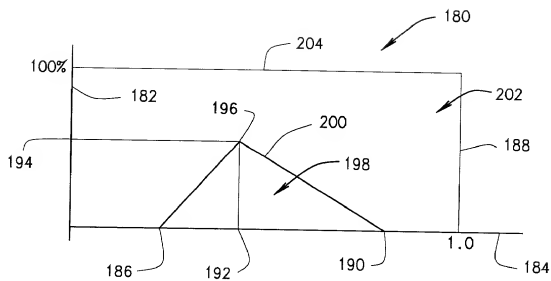


FIG. 5

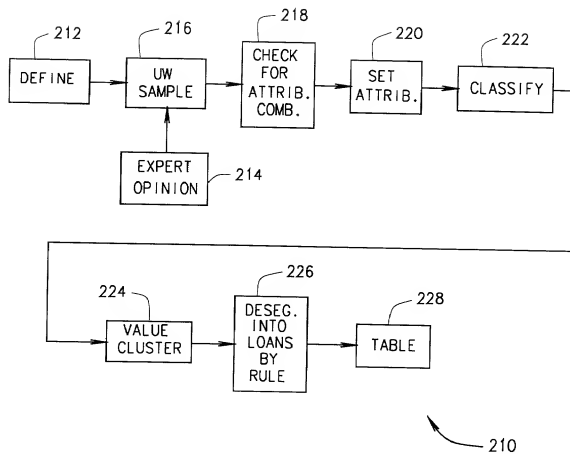


FIG. 6

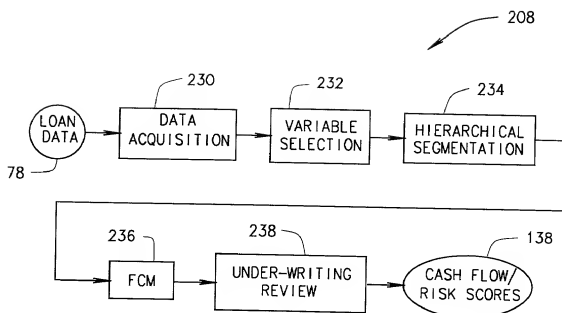


FIG. 7

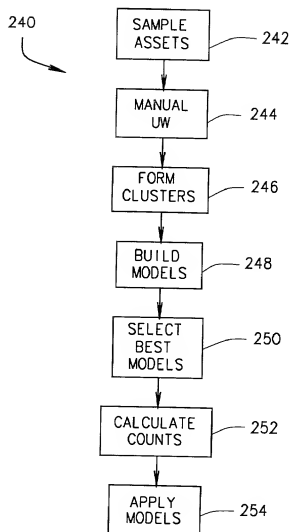


FIG. 8



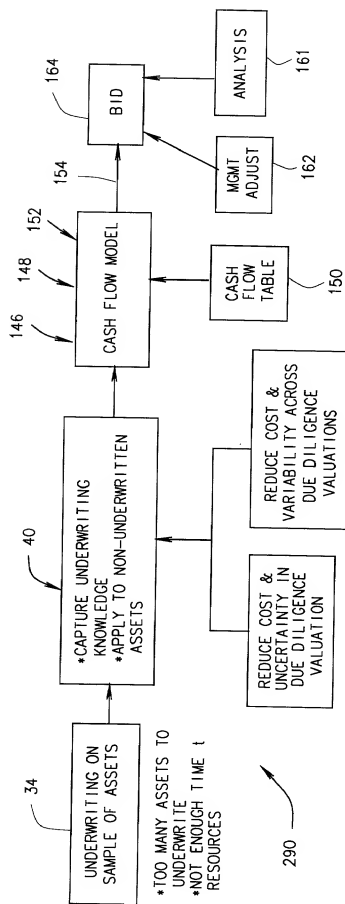


FIG. 9

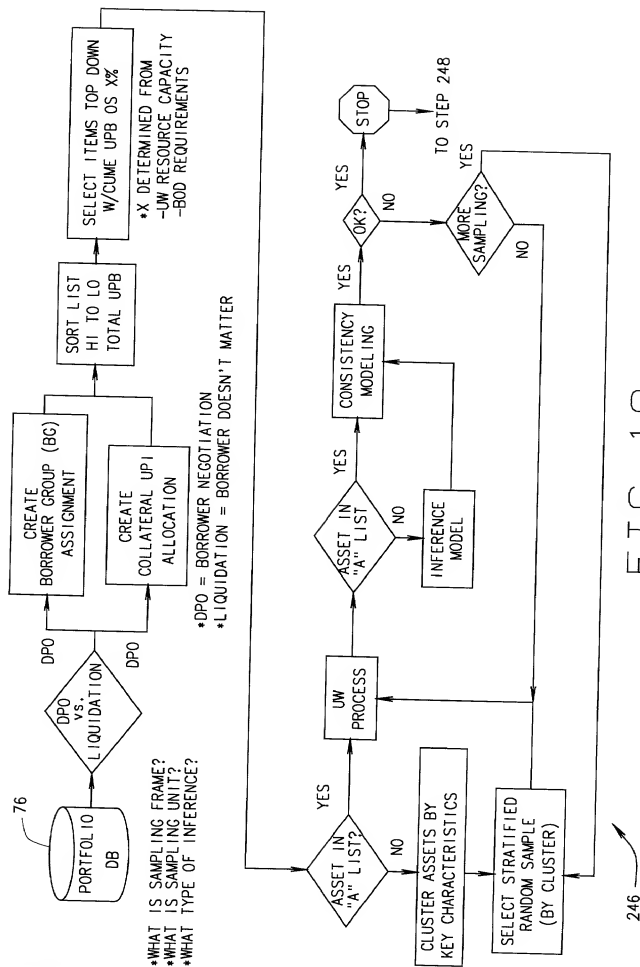


FIG. 10

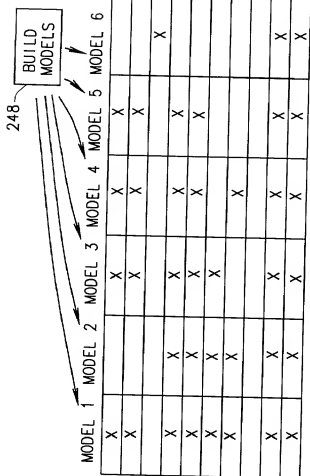
# 6 MODELS BUILT:

- MODELS DIFFER BY WHICH VARIABLES USED
- UW ASSETS GET THE MINIMUM ERROR PREDICTION (ACTUAL-PREDICTED)

## VARIABLES USED

- LAND AREA
- BLDG AREA
- OLD APPRAISAL
- GEN 1 PREDICTED CURRENT APPRAISAL
- GEN 1 PREDICTED REALIZED PRICE
- PROPERTY TYPE
- LOCATION
- BY-
- COM/RES
- GROUP (CLUSTER)

250



## MODEL "WEIGHTS":

- EACH CELL IS COUNT OF TIMES THE MODEL PRODUCED BEST PREDICTION FOR UW ASSETS
- DETERMINES WEIGHTS FOR AVERAGING PREDICTIONS FOR NON-UW ASSETS

MODEL ASSET CLASS		GROUP MODEL 1 MODEL 2 MODEL 3 MODEL 4 MODEL 5 MODEL 6						SUM	
COURT AUCTION	COMMERCIAL	1	13	13	13	8	32	87	256
	RESIDENTIAL	2	29	25	29	24	19	148	
TOTAL									
COURT AUCTION	RESIDENTIAL	1	5	5	10	4	12	12	51
	COMMERCIAL	2	4	7	9	13	23	59	23
	TOTAL	3	2	15	11	13	8	53	163
MARKET VALUE	COMMERCIAL	1	16	13	11	15	21	21	86
	RESIDENTIAL	2	29	22	29	24	19	150	19
TOTAL									
MARKET VALUE	RESIDENTIAL	1	5	8	4	11	12	14	51
	COMMERCIAL	2	8	9	10	15	19	59	19
	TOTAL	3	6	16	5	20	2	54	2
TOTAL									
G . 1 1									
258									

FIG. 11

VARIABLE	CATEGORY/VALUE RANGE	ENCODING SCHEME
LOAN SECURED	(YES, NO)	YES = 1, ELSE = 0
LOAN TYPE	(REVOLVING, NON-REVOLVING)	REVOLVING = 1 ELSE 0
LAST PAYMENT	(0, 250 MM)	0 IF LAST PAYMENT = 0 ELSE 1
NOTICE OF DEFAULT SENT		PRIOR TO JUN 97 EQUALS 1 ELSE 0
ORIGINAL MATURITY DATE		PRIOR TO JUN 97 EQUALS 1 ELSE 0
SYNDICATED LOAN	(YES, NO)	YES = 1, ELSE = 0
LOAN GUARANTEED	(YES, NO, NAV)	YES = 1, ELSE = 0
COLLECTION SCORE	(0, 1)	
LIEN POSITION	(-1, 0, 1)	1 IF LIEN POSITION = 1 ELSE 0
CURRENT UP AID BALANCE/ORIGINAL BALANCE	(0, 2.9)	NORMALIZED TO (0, 1)
LAST PAYMENT TO INTEREST/LAST PAYMENT	(0, 1)	

80

FIG. 12

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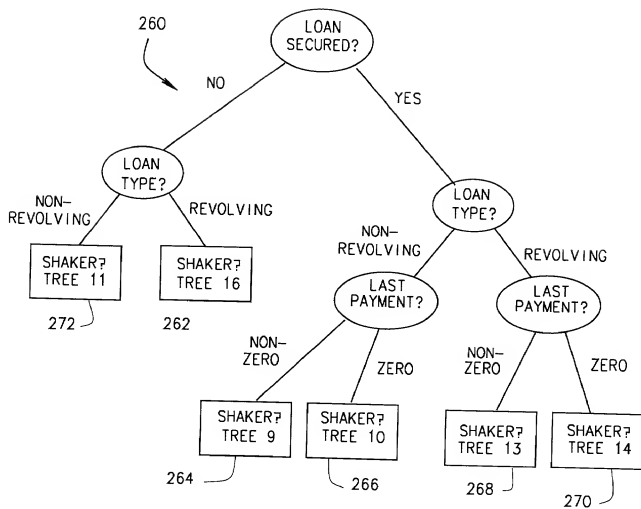


FIG. 13

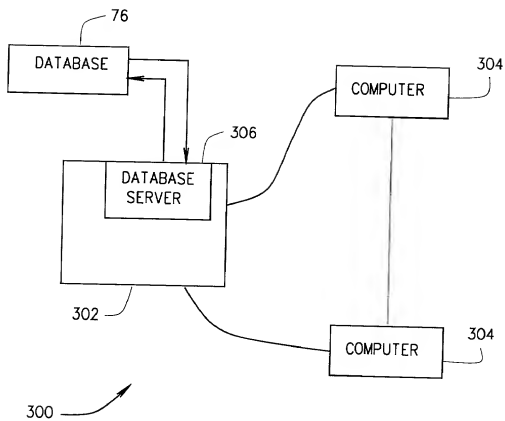


FIG. 14